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USAID Program No. 492-0487

AMENDMENT NO. 5

TO THE

STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN THE

REPUBLIC OF THE PHILIPPINES

AND THE

UNITED STATES OF AMERICA

FOR THE

GLOBAL CLIMATE CHANGE MITIGATION PROGRAM

Dated: August 7, 2000

GLOBAL CLIMATE CHANGE MITIGATION PROGRAM
AMENDMENT NO. 5 TO STRATEGIC OBJECTIVE GRANT AGREEMENT
NO. 492-0487

THIS AMENDMENT NO. 5 is entered into as of the 7th day of August, 2000, between the REPUBLIC OF THE PHILIPPINES (the "Grantee") and the UNITED STATES OF AMERICA, acting through the United States Agency for International Development ("U.S.A.I.D.").

WHEREAS, the Grantee and U.S.A.I.D. entered into Strategic Objective Grant Agreement No. 492-0487 (the "Agreement") on September 30, 1996, whereby U.S.A.I.D. agreed to provide an initial increment of \$2,930,000 in Grant funds for the Global Climate Change Mitigation Program;

WHEREAS through previous amendments to the Agreement, the amount of Grant funds was increased to \$9,130,000;

WHEREAS U.S.A.I.D. desires to increase further the amount of Grant funds by \$4,000,000.

NOW, THEREFORE, the Grantee and U.S.A.I.D. hereby agree to amend the Agreement as follows:

1. Paragraph (a) of Section 3.1 ("U.S.A.I.D. Contribution") is hereby amended by deleting the phrase "not to exceed Nine Million, One Hundred Thirty Thousand United States Dollars (US\$9,130,000)" and inserting in lieu thereof, the phrase "not to exceed Thirteen Million, One Hundred Thirty Thousand United States Dollars (US\$13,130,000)".

2. Paragraph (b) of Section 3.1 is further amended by deleting the phrase "U.S.A.I.D.'s total estimated contribution to achievement of the Program Objective is U.S. \$12,000,000" and inserting in lieu thereof the phrase "U.S.A.I.D.'s total estimated contribution to achievement of the Program Objective is U.S. \$24,000,000".

3. Paragraph (b) of Section 3.2 is hereby amended in its entirety to read as follows:

"The Grantee's estimated contribution over the life of the project will not be less than the peso equivalent of U.S. \$8,000,000 in cash and/or in-kind. In addition, \$2,400,000 shall be in cash expenditures to offset value-added tax (VAT), including E-VAT, charges on grant-financed goods and services incurred during the life of the Agreement."

4. Annex I is amended by changing the title of Section VIII from "Monitoring, Evaluation and Audits" to "Program Management, Monitoring, Evaluation and Audits" and adding the following after the last paragraph:


"Funds obligated for program management, monitoring, evaluation and audits will be unilaterally committed by USAID for its administrative and operating costs related to the implementation of activities covered under this Agreement (including personnel costs, rent, utilities, furniture, equipment and other support costs)."

5. Annex 1 to the Agreement is further amended by deleting Table 1 thereto ("Financial Plan of Activities") and substituting therefor the new version of Table 1 attached hereto.

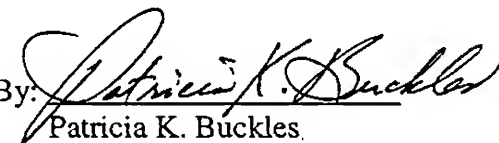
Except as expressly amended herein, the Agreement shall continue in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF THE PHILIPPINES

By: 
Felipe M. Medalla
Director-General
National Economic and
Development Authority

UNITED STATES OF AMERICA

By: 
Patricia K. Buckles
Mission Director
United States Agency for
International Development

WITNESSED BY:

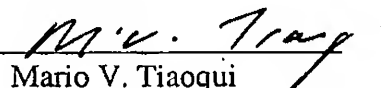

Mario V. Tiaoqui
Secretary
Department of Energy

Table 1: Financial Plan of Activities (\$000)

Activity (Principal Partners)	Obligations prior to this Amendment #5	Obligation under Amendment #5	Obligation Status after Amendment #5	Anticipated Future Years Oblig. by USAID ¹	Total Life of Program Oblig. by USAID ¹	Estimated Counterpart Contribution ²	GOP Cash Contribution for VAT ³	Total Counterpart Contribution
1.0 Expanded Use of Clean Fossil Fuels and Renewable Energy for Power Generation (DOE/ERB/NPC)	3,810	1,200	5,010	990	6,000	2,400	600	3,000
2.0 Improved efficiency in electricity generation, transmission, distribution and consumption (DOE/ERB/NPC/NEA/Private Utilities)	3,230	800	4,030	770	4,800	3,760	480	4,240
3.0 Policy Development Support (DOE/DENR/NPC)	1,200	1,000	2,200	3,800	6,000	640	600	1,240
4.0 Program Management, Monitoring, Evaluation and Audit (DOE/ERB/NPC/DEA/Private Utilities, USAID)	890	1,000	1,890	5,310	7,200	1,200	720	1,920
TOTAL	\$9,130	\$4,000	\$13,130	\$10,870	\$24,000	\$8,000	\$2,400	\$10,400

¹ Future obligations will be subject to the availability of funds to USAID for this purpose, and to the mutual agreement of the parties, at the time of a future obligation, to proceed.

² Represents the 25% minimum statutory requirement based on total project cost. This may be provided in cash or in kind by both the GOP and participating private utilities. The Peso equivalent of the GOP counterpart contribution shall be determined based on the following exchange rates:

\$1.00:P25 for obligation up to Amendment #4;

\$1.00:P38 for additional obligation under Amendment #5

except for VAT which is computed using the prevailing exchange rate at the time funds are obligated.

³ Estimated cash counterpart to offset VAT was based on a flat rate of 10% of total USAID contribution.